



*CITY OF GREENVILLE
COMMUNITY DEVELOPMENT*

*COMMUNITY IMPROVEMENT
PROGRAM
(CIP)*





CITY OF GREENVILLE COMMUNITY DEVELOPMENT & RELATIONS COMMUNITY IMPROVEMENT PROGRAM CIP

The objective of the Community Improvement Program is to revitalize and stabilize selected neighborhoods through the rehabilitation of owner-occupied housing. Program guidelines allow owner-occupants to qualify for rehabilitation loans of up to **\$24,500***. The City will use Community Development Block Grant (CDBG) funds to make all loans. In an effort to assist as many families as possible, assistance under the CIP is allowed only once per family. Some loans are deferred and forgivable after 10 years. Loans are based upon the homeowner's income as it relates to Greenville County Median Family Income and the homeowners ability to pay (**per HUD Guidelines which are revised annually**).

Homeowners are qualified if:

- ◆ Clear ownership can be established (property must be in applicant's name).
- ◆ The homeowner has owned and occupied the property for a minimum of 7 years.
- ◆ There is current homeowner's insurance.
- ◆ The property has no judgments, liens, or two mortgages..
- ◆ Total family income does not exceed 80% of the median family income for Greenville County (**see attached income guidelines**).
- ◆ All deficiencies can be corrected within the \$24,500* budget.
- ◆ CIP work has not been done on the property within the last 10 years.
- ◆ No false or fraudulent statements/representations are made on the application.

Current Community Improvement Neighborhoods include all Special Emphasis Areas. (See attached map).

Applications are taken on a first-come first-served basis with no preference given to either of the CIP neighborhoods. Total family income (Sec 8 part 5 definitions) as well as clear ownership of the property will be verified by Community Development and Relations staff. After eligibility is established a work write-up (cost estimate of repairs) will be done in order to determine if the work can be accomplished within the \$24,500* budget. The work will also include the cost of a lead-based paint inspection, risk assessment, clearance of the unit as well as work that can be defined as lead hazard reduction activity. In cases where a small child or children lives in the home or is in the home on a regular basis, the City will require that the homeowner have the child or children tested for elevated lead blood levels before the work may begin.

CIPoverview

Effective 1/01/02

Revised 8/31/11

*The CD Administrator shall have the authority to exceed the \$24,500 limit when unexpected damages are discovered by backing out the cost of the lead hazard reduction activities.



CITY OF GREENVILLE
Community Development & Relations
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CIP

GOAL

To assist low income owner/occupant homeowners to rehabilitate their existing homes.

ELIGIBLE APPLICANTS

- Maximum Household Income: < 80% area median income (refer to attachment)
- Income Verification: The Section 8 (Part 5) definition of income will be used to verify the income of all individuals that are 18 years or older and permanently reside in the house.
- ★ Homeowner or individuals, who have previously been assisted under the New Home Ownership Program, can only be assisted through the Emergency Repairs Program. **Properties with judgments, liens, or two mortgages are ineligible.**

ELIGIBLE PROPERTIES

- Location: The property must be located in a City-designated "Community Improvement Program Neighborhood". See attached map.
- Primary Residence: The applicant must own and occupy the property as their principal residence. Non-resident owners must "quit claim" all ownership interest to the applicant.
- Value: The assessed property value cannot exceed \$125,000.
- Property Standards: All repairs must meet or exceed the standards set forth in the International Residential Code and the International Property Maintenance Code.

ELIGIBLE COSTS

- Code Violations: Items that are not in compliance with the standards listed above under Property Standards.
- Incipient Repairs: Items that are expected to need repair or replacement in the next 18 months.
- Lead Based Paint Hazards: Items necessary to make the property lead-safe.
- General Property Improvements: Costs, as determined by the City, up to a maximum of 20% of the total CIP loan amount.
- Soft Costs: Appraisals, title search, etc.
- Lead Based Paint Risk Assessment

LOAN DESCRIPTION

51% to 80% of area median family income (refer to attachment)

Term: 10 Years

Interest Rate: 2%

Repayment: Monthly (fully amortizing)

Note: If current housing costs exceed 30% of monthly gross income (MGI) < 30% income terms apply.

31% to 50% of area median family income (refer to attachment)

Term: 10 Years

Interest Rate: 0%

Repayment: Monthly based on applicants' ability to pay.

Note: If current housing costs exceed 30% of MGI or if "back ratio" will not allow any repayment then < 30% income terms apply.

≤30% of area median family income (refer to attachment)

Term: 10 Years

Interest Rate: 0%

Repayment: Forgivable deferred payment loan - 1/120th forgiven each month. Pro-rata portion due in full upon sale or transfer of the property within 10 years.

UNDERWRITING CRITERIA

- Maximum CIP Loan Amount: \$24,500*
- Total Debt to Income Ratio ("back ratio"): 41% or less.
- Credit History: Demonstrated willingness to repay debt.
- Refinancing: May be allowed for existing mortgage loans equal to or less than rehab cost to be financed.
- Subordination: The City will only subordinate a single loan from a first mortgage lender.

Underwriting Example:

The Smiths have a combined gross income of \$31,000 annually and would like to obtain a rehabilitation loan of \$20,000. Because their household income is between 50 and 80 percent of the area median income, they are eligible for a 2% percent loan with a 10-year term. The Smiths also have a first mortgage payment of \$400 per month, a car payment of \$350 per month and a student loan of \$50 per month. Based on a Total Debt to Income Ratio that cannot exceed 41 percent, the maximum amount available for new debt is as follows:

Amount available for total debt	$\$31,000 \times 41\% = \$12,710/12 \text{ months} =$	\$1059
First Mortgage Payment		(\$400)
Student Loan		(\$ 50)
Car payment		(\$350)
Amount available for principal and interest		\$259

Based on a 2 percent interest rate and a 10-year term, \$128 will be required to repay the needed \$20,000 loan. Given the Smith's have \$259 available for debt repayment, they appear to qualify for the \$20,000 loan. This analysis would be subject to further analysis of credit and loan to value.

*The CD Administrator shall have the authority to exceed the \$24,500 limit when unexpected damages are discovered by backing out the cost of the lead hazard reduction activities.

FY 2012 Income Limits Documentation System

FY 2012 Income Limits Summary

Greenville County, South Carolina										
FY 2012 Income Limit Area	Median Income Click Here	FY 2012 Income Limit Category	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Greenville County	\$59,000	Very Low (50%) Income Limits Click Here	\$20,650	\$23,600	\$26,550	\$29,500	\$31,900	\$34,250	\$36,600	\$38,950
		Extremely Low (30%) Income Limits Click Here	\$12,400	\$14,200	\$15,950	\$17,700	\$19,150	\$20,550	\$21,950	\$23,400
		Low (80%) Income Limits Click Here	\$33,050	\$37,800	\$42,500	\$47,200	\$51,000	\$54,800	\$58,550	\$62,350

NOTE: Greenville County is part of the Greenville-Mauldin-Easley, SC MSA, so all information presented here applies to all of the Greenville-Mauldin-Easley, SC MSA. The Greenville-Mauldin-Easley, SC MSA contains the following areas: Greenville County, SC ; and Pickens County, SC .

For details on the calculation steps for each of the various parameters, please click the "Median Income" column heading or the Income Limits row labels ("Very Low-Income (50%) Limits", "Extremely Low-Income (30%) Limits", and "Low-Income (80%) Limits").

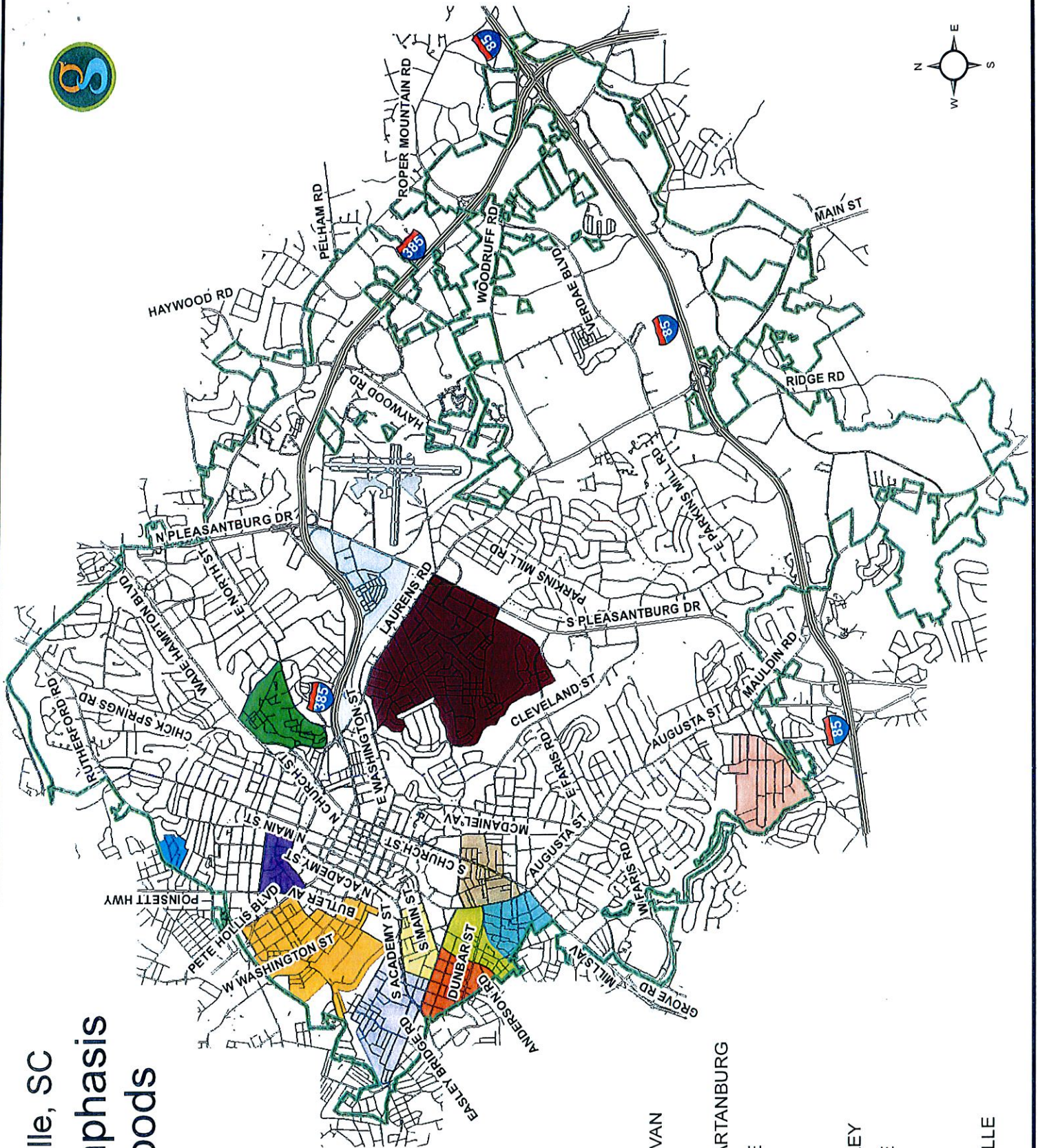
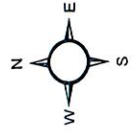
Income Limit areas are based on FY 2012 Fair Market Rent (FMR) areas. For a detailed account of how this area is derived please see our associated FY 2012 [Fair Market Rent documentation system](#).

Select a different county or county equivalent:

☐ Dorchester County
☐ Edgefield County
☐ Fairfield County
☐ Florence County
☐ Georgetown County
☒ Greenville County

Select county or county equivalent

City of Greenville, SC Special Emphasis Neighborhoods



- ARCADIA HILLS
- BRUTONTOWN
- GREATER SULLIVAN
- GREEN AVE
- GREENLINE-SPARTANBURG
- HAYNIE-SIRRINE
- NICHOLTOWN
- PAYNE-LOGAN
- PLEASANT VALLEY
- SOUTHERNSIDE
- STERLING
- VIOLA STREET
- WEST GREENVILLE